

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: FX SPECIALISTS)
ITS OFFICERS,) File No. C0200979
DIRECTORS, EMPLOYEES,)
AGENTS, AFFILIATES)
SUCCESSORS, AND)
ASSIGNS)

NOTICE OF HEARING

TO THE RESPONDENTS: Bill Saedlo
FX Specialists
934 Hermosa Avenue
Suite 12
Hermosa Beach, CA 90254

You are hereby notified that pursuant to Section 11.F of the Illinois Securities Law of 1953, [815 ILCS 5/1 et seq.] (the "Act") and 14 Ill. Adm. Code 130, Subpart K, a public hearing will be held at 520 South Second Street, Suite 200, Springfield, Illinois 62701, on the 16th day of July, 2003, at the hour of 10:00 a.m., or as soon thereafter as counsel may be heard, before Jon K. Ellis, or such other duly designated Hearing Officer of the Secretary of State. A copy of the Rules under the Act pertaining to contested cases is attached to this Notice.

Said hearing will be held to determine whether an Order of Prohibition should be entered against FX Specialists, its officers, directors, employees, agents, affiliates, successors and assigns (the "Respondent") in the State of Illinois and granting such other relief as may be authorized under the Act including but not limited to imposition of a monetary fine in the maximum amount pursuant to Section 11 of the Act, payable within ten (10) days of the entry of the Order.

The grounds for such proposed action are as follows:

1. That Respondent, FX Specialists, is a purported business entity, with a last known address of 934 Hermosa Avenue, Suite 12, Hermosa Beach, CA 90254;
2. That on or about October 17, 2002, FX Specialists, by and through its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, offered to at least one (1) Illinois resident, a managed investment account dealing in

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foreign currency for a minimum investment of \$25,000. FX Specialists represented that aforesaid account would be managed by recommended trading advisors who exchange one country's currency for another as currency prices fluctuate in value and that their recommended trading advisors have consistently produced positive returns of 30% to 70% per year.

3. That the above-referenced managed investment account is an investment contract and is a security as that term is defined pursuant to Section 2.1. of the Illinois Securities Law of 1953 [815 ILCS 5/1 et seq.] (the "Act");
4. That Section 5 of the Act provides, inter alia, that all securities except those exempt under Section 3 of the Act or those offered and sold in transactions exempt under Section 4 of the Act shall be registered with the Secretary of State prior to their offer or sale in the State of Illinois;
5. That Section 12.A of the Act provides, inter alia, that it shall be a violation of the Act for any person to offer or sell securities except in accordance with the provisions of the Act;
6. That Section 12.D of the Act provides, inter alia, that it shall be a violation of the Act for any person to fail to file with the Secretary of State any document or application required to be filed under the provisions of the Act;
7. That at all times relevant hereto, FX Specialists, its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns failed to file an application for registration of the above-referenced securities with the Secretary of State prior to their offer or sale in the State of Illinois;
8. That by virtue of the foregoing, FX Specialists, its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns have violated Sections 12.A and 12.D of the Act;
9. That Section 11.E.(3) of the Act provides, inter alia, that if the Secretary of State shall find that any person is engaging or has engaged in the business of selling or offering for sale securities as a dealer or salesperson without prior thereto and at the time thereof having

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complied with the registration or notice filing requirements of this Act, the Secretary of State may by written order prohibit the person from offering or selling any securities in this State;

10. That Section 11.E(2) of the Act provides, inter alia, that if the Secretary of State shall find that any person has violated subsection D of Section 12 of the Act, the Secretary of State may by written order prohibit the person from offering or selling any securities in this State;
11. That by virtue of the foregoing, the Respondent, FX Specialists, is subject to an order which permanently prohibits the Respondent from offering or selling securities in the State of Illinois.

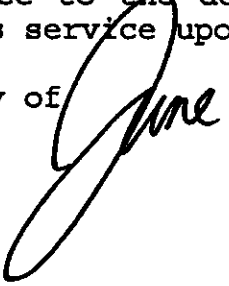
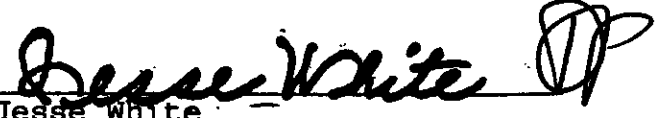
You are further notified that you are required pursuant to Section 130.1104 of the Rules and Regulations (14 Ill. Adm. Code 130) (the "Rules"), to file an answer to the allegations outlined above or a Special Appearance pursuant to Section 130.1107 of the Rules, or other responsive pleading within thirty days of the receipt of this notice. Your failure to do so within the prescribed time shall be deemed an admission of the allegations contained in the Notice of Hearing and waives your right to a hearing.

Furthermore, you may be represented by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to so appear shall constitute default.

A copy of the Rules, promulgated under the Act and pertaining to Hearings held by the Office of the Secretary of State, Securities Department, is included with this Notice.

Delivery of notice to the designated representative of any Respondent constitutes service upon such Respondents.

Dated this 18th day of June, 2003.



Jesse White
Secretary of State
State of Illinois

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Attorney for the Secretary of State:

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Hearing Officer:

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